2010 Carrier Investment Commitments

United Health Care Only

December 7, 2009

What is Included

1 Primary Care Spend Definition: What is/is not Included for 2010

2 Specific Spend Commitments for Each Carrier

3 Carrier Investment Plans

4 Monitoring Plan and Schedule

5 Coordinated ED Incentive: Planning Schedule (on hold)

6 Forecasting Template (Due Quarterly)

7 PC Spend Report (Due Semi-Annually)

Primary Care Spend Metric: Working Definition

Revised as of October 19. 2009

For each calendar year[5], for all fully insured commercial business[4], all medical payments[1] made to primary care providers[2] in Rhode Island, regardless of where the member resides. Payments should be reported as both total dollars spent during the time period and as a percentage of total medical payments[3] during the time period.

1. Payments defined as paid claims. Medical payments exclude Rx, lab and imaging services, and are broken out by:
   Payment for services: CPT codes, capitation, etc.
   Incentive/bonus payments, including both performance and infrastructure payments
   All other payments (please explain)

2. Primary care providers are inclusive of the following:
   - § practice type: Family Practice, Internal Medicine and Pediatrics
   - § professional credentials: Drs of Medicine and Osteopathy, Nurse Practitioners, and Physicians' Assistants

   "Dual" providers, i.e., those who deliver both primary and specialty care, are excluded, except in those instances where the specialist is paid on a PCP fee schedule.

3. "Total medical payments" includes all payments made to Rhode Island facilities and providers, regardless of where the member resides.
   - § This should include Rx, Behavioral Health, lab and imaging services.
   - § Medical payments should be inclusive of any secondary payer payments.
   - § Rx payments* should include Rhode Island payments only.
     - Blue Cross will include only those payments made to pharmacies in Rhode Island, plus mail order payments (again, regardless of where the member resides). Rx carve outs will be adjusted by the % of members with pharmacy benefits, and that % will be included in ongoing reporting
     - United will include only those payments for scripts written by RI providers, regardless of where it is filled.

4. Commercial Spend Inclusions:

EMR related Lump sum payments paid out as a one-time, fixed dollar amount to primary care providers may be credited in full toward fully insured commercial spend. Pmpm payments related to the CSI project, paid to primary care providers on the basis of fully insured, Medicaid AND Medicare risk membership may be credited toward fully insured commercial spend. All other primary care spend (e.g., ffs payments, pmpm payments for self insured) must be appropriately allocated to the products/segments they support

5. Timing Exceptions:
   - § EMR related bonuses (lump sum payments only), paid to primary care providers during the fourth quarter of 2009 may be included in reports as 2010 fully insured commercial spend.
   - § Any Q4 2009 spend on PCP fee changes implemented in Q4 2009 may be included in reports as 2010 spend.

* Note: There was discussion of the possibility that there would be a growing share of business with Rx carve outs. We agreed that carriers could and should report on this issue on their primary care spend reports, and may report an adjusted spend percentage, reflecting the impact of Rx carve outs.

Affordability Standard One: Primary Care Spend Rate

2. Carrier Spending Commitments, 2010

Primary Care Spending Commitments

	BCBSRI	United	Blended
2008 Baseline %	5.8%	5.4%	5.8%
2010 Targeted Spend	6.8%	6.4%	6.8%
2010 Estimated Investment*	$9 Million	$2 Million	$11 Million

Estimates based on projected trend and total medical expenditure by carrier. Estimates will be revised semi-annually based on latest trend and medical expenditure data.

Additional Commitments

(Affordability Standards Two and Three, Used for Projecting Spend for Standard One)

1. CSI Project expansion, additional 25 PCPs, as of 4/1/2010
2. Participate in design of ED incentive program, for 1/1/2011 implementation (on hold)
3. Support single coordinated EMR incentive eligibility "test" through RIQI

Note: Tufts will not be held to specific spend, because of small enrollment but has agreed to:

- Proportionate participation in CSI Project
- Implementing EMR adoption incentives
- Measurement of PCP Spend rates

United Healthcare Carrier Investment Plan Detail

as of 10/16/2009 (final submission, upon request)

Investment Plan Detail	Description	Final 10/13/09
Structure and Process Incentives:		**45%**
CSI All payer medical home	Health plans commit to establish a NCQA certified Medical Home and commit to supporting an expansion of either the Rhode Island Chronic Care Sustainability Initiative or an alternative all payer medical home model. THealth plans commit to establish a NCQA certified Medical Home and commit to supporting an expansion of either the Rhode Island Chronic Care Sustainability Initiative or an alternative all payer medical home model. As directed by the health insurance commissioners office, UHC assumed that the CSI project will increase by 25 PCP FTEs effective 4/1/10.	25%
EMR Incentive Programs	Health plans to commit to implementation of a certified electronic medical record (i.e. certification by the Commission for Healthcare Information Technology (CCHIT) physician primary care and/or specialty care EMR adoption incentive that pays: (i.e. United: $2,500 or more, up to a practice maximum of $7,500) in bonus in the form of pay-for-participation payments equal to $.60 PMPM or in increased fees, totaling in value at least 3% great than the insurer's standard fee schedule.	13%
Primary Care QTIAC Requests	UHC Quality and Technology Investment Advisory Council (QTIAC) consists of constituents who guide and participate in the selection of community quality and technology health care initiatives based on projects' value to the health care community, including its value to providers, employer and consumers of the RI health care system. QTIAC will invest in certain primary care initiatives such as Loan Forgiveness, RICCC, and others.	7%
Outcomes Incentives:		**30%**
Pay for Performance	Practice Rewards - a United Healthcare National program that offers financial recognition for physicians who have met the highest quality and cost efficiency criteria under the United Health Premium Designation program. A 5% fee schedule differential recognizes physicians who meet or exceed guidelines for quality and cost efficient care. A 3% fee schedule differential recognizes those physicians and facilities who have shown improvement from the previous year (this is new for 2010). United expects more will be paid under this program in 2010 as more physicians exceed guidelines and for the new improvement program.	25%
After hours Incentives	Additional payment to physicians who offer extended hours or provide services in office to their patients resulting in lower ER visits and other cost savings advantages	5%
Fee Schedule, bonus enhancements and volume enhancements:		**25%**
Shift of Services	Plan design changes currently under review expected to shift utilization to PCP offices	5%
Vaccine Administration	Increase in physician and flu clinic administration fees.	20%
		100%

Affordability Standard One: Monitoring Plan

Two primary areas of focus

- Status of current year investment plans
- Developing future year investment plans

Key Deliverables

1. 2010 Investment Forecast Template (Quarterly)
2. Primary Care Spend Template (Semi-Annually)
3. 2011 Investment Plan

Approach

- OHIC Meetings: (Quarterly)

Quarterly update meetings with OHIC/Commissioner. Separately for each carrier

- Investment forecasts: (Updated Quarterly)

Carriers Maintain/update initial investment plan budget template, reforecast quarterly based on any changes in assumptions/ implementation plans (see attached template). Specify any planned corrective action as needed to meet targets

- Actual Spend Template: (Updated Semi-Annually)

YTD spend for first 6 months of 2010 reported in October 2010 using existing primary care spend template.
Actual spend for 2010 reported and finalized in April 2011 using existing primary care spend template.

- 2011 Investment Plans: (Final Due October 1, 2010)

Carriers work with OHIC to develop 2011 budget, April -September 2010. Final 2011 investment plan by October 1, 201

Public Review

- PCPAC, HIAC Review

All documents will be reviewed regularly with both the PCPAC and the HIAC for feedback and guidance

- Carrier Investment plans, investment forecasts will be posted on the OHIC website

Primary Care Investments: Monitoring Schedule

	2010 Investment Forecast Updates	2011 Budget Development
Oct-09	Review 2010 Carrier Investment Plan (final)	
Jan-10	Review updated 2010 Investment Forecast	
Apr-10	Review updated 2010 Investment Forecast Review 2009 Primary Care Spend Report	Review Preliminary 2011 Investment Plans (no numbers) Review draft estimates of required investment targets (total dollars required to meet spend target)
Jul-10	Review updated 2010 Investment Forecast	Preliminary 2011 Investment Plans (draft numbers)
Oct-10	Review updated 2010 Investment Forecast. Focus on any needed corrective actions Review 2010 YTD Primary Care Spend Report	Final 2011 Investment Plans Due
Jan-11	Review updated 2010 Investment Forecast Focus on any needed corrective actions	Review any updates to 2011 Investment Plan
Apr 2011 Meeting	2010 Primay Care Spend Report Due, reporting actual PC spend as % of total Medical spend	Review updated 2011 Investment Forecast

Note: Quarterly Investment Forecasts and 2011 draft investment plans submitted by the carriers to OHIC will be reviewed regularly with HIAC and PCPAC for feedback and guidance.

5. Developing A Coordinated ED Program (on hold)

(Possible Area for Meeting Affordability Standard One in 2011)

Project Plan	
Nov 2009 Meeting	Project Plan Initial data request
Jan 2010 Meeting	Review data learnings Who are high performing docs? Plan interview strategy
April 2010 Meeting	Review learnings from interviews with high performing docs: What are key success factors?
July 2010 Meeting	Proposed Program Options Carriers propose short list of coordinated program options, plan for choosing an approach
Sep 2010 Meeting	Final Program Options Final plan for coordinated program
Jan 2011	Implement new program

United Healthcare Carrier Investment Plan Detail
as of 10/16/2009 (final submission, upon request)

	2010 Spend	2010 Fcast as of Jan'10	2010 Fcast as of Apr'10	2010 Fcast as of Jul'10	2010 Fcast as of Oct'10	2010 Final Spend as of Jan'11	Key Changes
Structure and Process Incentives:	**45%**						
CSI All payer medical home	25%						
EMR Incentive Programs	13%						
Primary Care QTIAC Requests	7%						
Outcomes Incentives:	**30%**						
Pay for Performance	25%						
After hours Incentives	5%						
Fee Schedule, bonus enhancements and volume enhancements:	**25%**						
Shift of Services	5%						
Vaccine Administration	20%						
Total	**1.9 million**						

TRUE

Note: Total $ investment shown is an estimate, which will be updated semi-annually based on best available data.

Primary Care Spend
Reporting Template: Annually to OHIC on April 1, for prior calendar year spending
draft as of September 2, 2009

Please complete the **THREE** template below in accordance with the attached definitions.

Template 1: Rhode Island Fully Insured Commercial Payment Based on Claims Paid

Calendar Year	2006	2007	2008	2009	2010	2011	2012	2013
RI Primary Care Payments								
Number of visits								
FFS Payment for CPT codes: E&M well visits								
FFS Payment for CPT codes: E&M sick visits								
FFS Payment for CPT codes: other								
Pmpm incentive payments								
Lump sum payments (1)								
Additional payments to primary care providers (2)								
Other Allowable payments (3)								
Total Primary Care Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
All RI Medical Payments								
Rx (prior to adjustments)								
Rx (adjustment for carve outs)								
Rx Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
MHSA Total								
All Other Medical Payments (exc Rx + MHSA)								
Total RI Medical Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
PC Spend as % of Total	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Primary Care Spend
Reporting Template: Annually to OHIC on April 1, for prior calendar year spending
draft as of September 2, 2009

Please complete the **THREE** template below in accordance with the attached definitions.

Template 2: Rhode Island Fully Insured Commercial Payment Based on Allowed Claims

Calendar Year	2006	2007	2008	2009	2010	2011	2012	2013
RI Primary Care Payments								
Number of visits								
FFS Payment for CPT codes: E&M well visits								
FFS Payment for CPT codes: E&M sick visits								
FFS Payment for CPT codes: other								
Pmpm incentive payments								
Lump sum payments (1)								
Additional payments to primary care providers (2)								
Other Allowable payments (3)								
Total Primary Care Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
All RI Medical Payments								
Rx (prior to adjustments)								
Rx (adjustment for carve outs)								
Rx Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
MHSA Total								
All Other Medical Payments (exc Rx + MHSA)								
Total RI Medical Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
PC Spend as % of Total	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

1. Lump sum payments (e.g., EMR, performance bonuses) paid out as a one-time, fixed dollar amount to primary care providers may be credited in full toward fully insured commercial spend. All other primary care spend (e.g., ffs payments, pmpm capitations) should be appropriately allocated to the products/segments they support
2. Please identify + document any additional payments to primary care providers that are not listed here
3. "Allowable" primary care related payments that are not directly paid to contracted providers. For example, training, CSI, loan forgiveness, etc. Please specify.

Primary Care Spend
Reporting Template: Annually to OHIC on April 1, for prior calendar year spending
draft as of September 2, 2009

Please complete the **THREE** template below in accordance with the attached definitions.

Template 3: Additional Metrics

Calendar Year	2006	2007	2008	2009	2010	2011	2012	2013
1. Primary Care Supply								
Primary Care Provider Count								
Total Number of Professional Providers (1)								
% Primary Care	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
2. Ambulatory Care Sensitive Conditions (TBD)								
3. All Payor Medical Home Initiative								
Number of sites								
Number of providers								
$ paid in pmpm incentives								
$ paid for Nurse Case Manager								
Project management payments								
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
3. EMR Incentive Program								
Number of Participating Professional Providers								
Number of Participating Primary Care Providers (2)								
$ EMR incentive payments (2)								

1. Professional Providers includes the following: Drs. Of Medicine and Osteopathy, nurse practitioners and physician assistants.
2. Includes up-front bonus payment only. Fee schedule increases are captured in E&M code payments on template #1